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## TRANSCRIPT OF PROCEEDINGS

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

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Herring Broadcasting, Inc Wealth TV

Time Warner Cable, Inc et al

MB Docket No. 08-214

DATE OF HEARING:\_\_\_November 25, 2008\_\_\_\_\_ VOLUME:\_\_\_\_2\_\_\_

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NEAL R. GROSS & CO., INC. 1323 RHODE ISLAND AVENUE, NW WASHINGTON, D.C. 20005 TELEPHONE (202) 234-4433

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### BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

In the Matter of:

HERRING BROADCASTING, INC. D/B/A WEALTHTV,

Complainant, File No.

v.

CSR-7709-P

TIME WARNER CABLE INC. Defendant.

HERRING BROADCASTING, INC. D/B/A

WEALTHTV,

File No.

Complainant, CSR-7822-P

v.

BRIGHT HOUSE NETWORKS, LLC, Defendant.

HERRING BROADCASTING, INC. D/B/A

WEALTHTV,

File No.

Complainant, CSR-7829-P

v.

COX COMMUNICATIONS, INC., Defendant.

HERRING BROADCASTING, INC. D/B/A WEALTHTV,

Complainant, File No.

CSR-7907-P

v.

COMCAST CORPORATION, Defendant. NFL ENTERPRISES LLC,

Complainant,

v.

File No. CSR-7876-P

COMCAST CABLE COMMUNICATIONS, LLC,

Defendant.

TRC SPORTS BROADCASTING HOLDING, L.L.P., D/B/A MID-ATLANTIC SPORTS NETWORK,

Complainant,

v.

File No. CSR-8001-P

COMCAST CORPORATION,
Defendant.

VOLUME 2

Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, D.C. 20554 Hearing Room TW-A363

Tuesday, November 25, 2008 2:00 p.m.

BEFORE:

RICHARD L. SIPPEL Chief Administrative Law Judge

#### APPEARANCES:

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#### ALSO PRESENT:

KRIS ANNE MONTEITH, FCC, Chief,
Enforcement Bureau

ELIZABETH YOCKUS MUMAW, FCC,
Enforcement Bureau

MARY GOSSE, Administrative Officer, FCC
JEFFREY M. ZIMMERMAN, Time Warner Cable
CHRISTINA PAUZE, Time Warner Cable
CHARLES HERRING, President and Co-Founder,
WealthTV

KIM DIXON, Correspondent, Reuters
CAMERON MCALPINE

#### PROCEEDINGS

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(2:12:06 p.m.)

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JUDGE SIPPEL: Just to let you all know who I am, I'm Richard Sippel. I'm the Chief Administrative Law Judge. I think it was self-explanatory in my order the other day as to what has transpired. After 40 some odd years, Judge Steinberg, my colleague, is going to be leaving the Commission in early January, and in good faith I assigned him the case to begin with, initially, on the hope, I'm not going to say on the expectation, but on a, what I consider to be, and he agreed with me, a reasonable hope that he might be able to hear this case before he left in light of the way it was set up in the Hearing Designation It didn't work. Order.

Judge Steinberg thought this through very carefully, and you all know how he came out on that. I'm talking specifically about the 60 days. So you've got a new one to deal with, I guess, if I can put it that way.

1	I'm going to do my best to move this case
2	along, but on the other hand, I don't want to
3	feel like I'm being pushed in a corner on
4	anything. And there's obviously a lot
5	there's a lot at stake here. There are many
6	parties, and there are very many lawyers, so
7	this is going to be a challenge.
8	I'm not going to ask for names at
9	this point. I guess I'm concerned about the
10	time. Maybe I had better do that. Why don't
11	I start from the right side of the room. I
12	just ask lead counsel to just identify
13	themselves, please, for me.
14	MR. SOLOMON: I'm David Solomon,
15	representing Comcast.
16	JUDGE SIPPEL: Mr. Solomon. And?
17	MR. COHEN: Jay Cohen for Time
18	Warner Cable.
19	JUDGE SIPPEL: Okay. And?
20	MR. BECKNER: Bruce Beckner for
21	Bright House Networks.
22	JUDGE SIPPEL: You're with Bright

1	House?
2	MR. BECKNER: Yes, sir.
3	JUDGE SIPPEL: Okay. Next?
4	MR. MILLS: David Mills for Cox
5	Communications.
6	JUDGE SIPPEL: Okay. And?
٠7	MS. WALLMAN: Kathy Wallman for
8	Herring Broadcasting, d/b/a WealthTV.
9	JUDGE SIPPEL: Okay.
10	MR. FREDERICK: David Frederick
11	for TCR d/b/a as MASN.
12	JUDGE SIPPEL: Okay. Thank you.
13	MR. LEVY: Gregg Levy, NFL
14	Enterprises.
15	JUDGE SIPPEL: Sir?
16	MR. LEVY: Gregg Levy, and with me
17	today is John Blake.
18	JUDGE SIPPEL: And you're with the
19	NFL Enterprises. Is that right?
20	MR. LEVY: Correct.
21	JUDGE SIPPEL: Okay. And?
22	MR. SCHONMAN: I'm Gary Schonman

on behalf of the Chief Enforcement Bureau, and with me is the Chief of the Enforcement Bureau.

JUDGE SIPPEL: Okay.

MR. SCHONMAN: Kris Monteith.

JUDGE SIPPEL: Okay. Well, good afternoon, everyone. I'm pleased to meet you. The main reason I'm here today was, except to try to explain what transpired, is to try and assess the dates. And I think that would be a good place to start.

There is a specific provision now in that order that in my absence Judge Steinberg will be controlling the management of this case. So any procedural questions, anything that the attorneys feel they can't work out for themselves. I'm going to be out of the country visiting my grandsons from 19 December, I'll be back in on 5 January. That was arranged for about nine months ago. So it's going to be -- well, in any event, that lets you know exactly what the lay of the land

 $\parallel$  is.

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And having said that, why don't we start with -- I understand what is -- there have been some motions filed with respect to withdrawing the Hearing Designation Order, and being sure that the Commission is going to give 30 days to file exceptions, but that really doesn't affect us here today.

Before we dive into it, does anybody else have anything more that they want to add or say to this? Okay. Then the first date that I'm interested in, and we can move back from that, is when are you going to -how long will it take you to complete discovery, discovery? And by in the rules with the everything that's The only thing exception of interrogatories. I want that used for is to get identification of witnesses and documents, if necessary.

Experts are going to be deposed under Rule 26 of the Federal Rules of Civil Procedure. I'm sure you all are very familiar

<u>1</u>	with that process. And I just want to be kept
2	apprized as to what's going on. Hopefully, I
3	won't have to rule on any questions in
4	depositions. So let's start with that first
5	date.
6	MR. LEVY: Your Honor, if I may.
7	Gregg Levy on behalf of NFL Enterprises.
8	JUDGE SIPPEL: Yes, sir, Mr. Levy.
9	MR. LEVY: We are obviously intent
10	on trying to move this as quickly as we can.
11	And towards that end, we had suggested to your
12	predecessor our inclination to submit our
13	affirmative testimony, if it was all right
14	with him, in the form of written statements,
15	with the expectation that the Defendants would
16	do the same, and that there would be
17	opportunity for cross examination.
18	JUDGE SIPPEL: Those would be
19	sworn statements. Right?
20	MR. LEVY: Sworn statements. In
21	fact, there were declarations already
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the complaint

submitted with

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during

1	complaint process. And, frankly, what we have
2	in mind is moving forward with those
3	declarations, perhaps some supplementation to
4	deal with the issue of remedy, because remedy
5	was not addressed there. And, as a result,
6	from our perspective, at least, the need for
7	discovery is very modest. The Defendant in
8	the proceeding will have a copy of the written
9	statement available for him in sworn form so
10	that they can conduct cross examination.
11	JUDGE SIPPEL: I'm familiar with
12	the procedure.
13	MR. LEVY: And we're prepared to
14	move forward very expeditiously in that
15	respect.
16	JUDGE SIPPEL: Well, is everybody
17	else prepared? Is everybody else willing to
18	do that?
19	MS. WALLMAN: Your Honor, WealthTV
20	_
21	JUDGE SIPPEL: Wait just a second.
22	Ma'am?

1	MS. WALLMAN: WealthTV concurs
2	with that.
3	JUDGE SIPPEL: You concur with
4	that. Is anybody opposed to it?
5	MR. FREDERICK: TCR concurs, as
6	well.
7	JUDGE SIPPEL: Concurs. Who's
8	opposed?
9	MR. TOLLIN: Skipping discovery?
10	JUDGE SIPPEL: Oh, no, we haven't
11	gotten to that question yet. He's just
12	talking about at the hearing itself, using
13	sworn written testimony cross examination. No
14	direct testimony.
15	MR. COHEN: Your Honor?
16	JUDGE SIPPEL: Yes, sir.
17	MR. COHEN: Jay Cohen for Time
18	Warner.
19	JUDGE SIPPEL: Yes, sir.
20	MR. COHEN: At least in our case,
21	the Wealth case from Time Warner's
22	perspective, it is very much credibility-

1	based. I don't think credibility
2	determinations should be made solely on the
3	basis of cross examination. I think the
4	direct testimony aids the Court in determining
5	credibility. If Wealth wants to put in
6	written directs, I guess they can do that if
7	they want, but we would prefer to have our
8	witnesses testify live on direct.
9	JUDGE SIPPEL: On direct.
10	MR. COHEN: Yes, sir.
11	MR. SOLOMON: We would agree with
12	that, Your Honor, because as Judge Steinberg
13	pointed out, credibility is an issue.
14	JUDGE SIPPEL: Yes, that's true.
15	That's usually fleshed out on cross
16	examination in my experience.
17	MR. SOLOMON: Part of the issue is
18	that the witnesses have the opportunity to get
19	their story out, and you're in a position to
20	understand that as well when determining
21	credibility.

JUDGE SIPPEL: Oh, if I don't

1	understand, I'm going to ask a question. I'm
2	not worried about don't worry about that.
3	But I understand what you're asking for.
4	MR. FREDERICK: Your Honor, if I
5	may.
6	JUDGE SIPPEL: Yes.
7	. MR. FREDERICK: For TCR, if you
8	allocate an equal amount of time to both
9	sides, if the Defendants want to use their
10	time for direct testimony, we have no
11	objection to that, just so long as both sides
12	have an equal number of hours for putting on
13	their case.
14	JUDGE SIPPEL: You're shaking your
15	head.
16	MR. COHEN: Well, it turns out to
17	be unequal allocation if one side is
18	testifying live and one side is using time for
19	cross. I'm happy to talk about some
20	allocation of time, but I don't think the
21	allocation of time necessarily remedies the

problem, from our perspective.

22

I mean, we

think it's quite important to tell this story, for having the hearing in an oral way, not through papers.

MR. FREDERICK: Your Honor, Time Warner is not a defendant in our case, and if a separate situation needs to arise for the Time Warner case we have nothing to say about that. But with respect to our case for time for Comcast, if there's to be an equal allocation of time, and Comcast wants to use its time for direct testimony, we have no objection to that, just so long as there's no expansion of time beyond what would be a reasonable amount of time for the presentation of the case.

MR. SOLOMON: Well, Your Honor, taking away time from our cross examination isn't making it equal. Ultimately, a decision can be made how to proceed, but our view is in that case, as well, there's going to be issues about witnesses and their recollection of various matters. And it's appropriate in that

1	context, we think, to be able to have our
2	witnesses explain their story on direct.
3	JUDGE SIPPEL: Well, I'm not going
4	to order that. What does the Bureau think
5	about this?
6	MR. SCHONMAN: Your Honor, the
7	Bureau has an interest in seeing this case
8	move forward expeditiously, and from my
9	experience having direct written testimony
10	shortens the trial, because it allows for
11	effective, more effective cross examination at
12	which time the parties will be able to flesh
13	out and get a reading on the demeanor of the
14	witness. I don't believe you need live direct
15	testimony to accomplish that.
16	JUDGE SIPPEL: Okay. That's your
17	view. Yes, sir?
18	MR. BECKNER: Judge Sippel, you
19	may recall the Liberty Cable case we did some
20	years ago.
21	JUDGE SIPPEL: We both looked
22	quite differently in those days.

2 MR. BECKNER: That's right. recall, your daughter was getting married when 3 4 we got that case. 5 JUDGE SIPPEL: She's getting married again in February. 6 7 MR BECKNER: But the issue came 8 up in that proceeding as to whether or not we 9 would use pre-filed direct, or whether we'd 10 have live direct. And my recollection is the 11 resolution was that we would use live direct. 12 And one of the things about it, I mean let's 13 be honest here, pre-filed direct is testimony 14 written by lawyers, and suitably massaged to 15 be as favorable as possible to the case. 16 Direct testimony by witnesses their is 17 testimony, which is, I think the right word to 18 use is unvarnished. And I think there's a 19 value in that, apart from the question of 20 cross examination and so on. 21 JUDGE SIPPEL: All right. I think 22 you both have good arguments on this. I think

(Laughter.)

what I'm going to do is reserve on it. If I can just get the date set. My concern is time, although, as I said, I'm not going to just kick the can down the road to meet a schedule. I don't want to put lawyers on a clock, or witnesses on a clock because that doesn't help me. Yes, sir?

MR. COHEN: Your Honor, if I could just follow on something Mr. Frederick said. It's true that we're not in MASN's case, and perhaps it would make some sense at the outset to talk about whether this is one case, three cases, or six cases. And I think at least for those of us in the Wealth case, the four of us, we're prepared to for lots of purposes talk about a schedule for the Wealth cases as one proceeding. I don't really have anything to say about the NFL case, or about the MASN case. And I wonder if this shouldn't actually be a three-part discussion, rather than one discussion, because it is an unyieldy and opinionated group, and it's true. It really

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doesn't make a difference to me what MASN and Comcast work out in their case, or what the NFL and Comcast work out in their's. And we would cooperate with the other defendants in the Wealth case, but it doesn't seem to me necessarily the best way to approach this, with respect, is to do a schedule for all three cases simultaneously.

JUDGE SIPPEL: Well, I agree with that, but my main concern was getting this case started with discovery and finding out what I have to get to. I'm figuring -- I'm thinking that you all have figured that out I can see, for example, if you yourselves. have no interest in NFL versus Comcast, when that testimony is coming in, there's no need for you to be in the courtroom. You can go, And it's true of whatever you want to do. everybody. I just want to get the doggoned case on the record, and my concern is that direct examination is tough to do. You have to be good to do direct testimony, because

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there's going to be objections on hearsay, leading questions, and you know the routine I'm talking about.

MR. COHEN: Yes, sir.

JUDGE SIPPEL: That can become rather tedious. And for what purpose, you know, for what purpose? It's hard -- I understand what the nature οf written testimony is. I mean, I'm not going to get bulldozed by that. On the other hand, it's the cross examination that usually brings it And on the other other hand, I don't want to undercut how counsel wants to present So as long as there's its case. unreasonable -- we're moving along, I'm not going to have any problem with how you want to present your case.

MR. COHEN: Your Honor, I meant even in terms of discovery. I don't know whether the discovery issues in the other cases have the same scope, or the same issues as in our case.

WASHINGTON, D.C. 20005-3701

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1	MR. LEVY: Your Honor, one of the
2	advantages of submitting the case through
3	written direct testimony is it basically
4	obviates the need for discovery. Judge
5	Steinberg in his order issued last week said
6	that from his standpoint, in order to expedite
7	the cross examination of the witnesses and
8	avoid surprise, some limited discovery should
9	be undertaken. But if the cross examining
10	lawyer knows the direct testimony when he
11	walks in the room, he may have had it for a
12	week or two before he walks in the room,
13	there's no potential for surprise. And the
14	need for discovery is obviated. And that's
15	one of the reasons why we think that written
16	testimony is the way to go, and part of the
17	reason why we believe that we can move forward
18	promptly towards a hearing once we have dates
19	established for exchanging written testimony
20	or filing written testimony.
1	

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MR. TOSCANO:

JUDGE SIPPEL: Well, good point.

Your Honor, David

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